

**Introduced by Senator Alarcon**

April 15, 2002

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Senate Constitutional Amendment No. 13—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Section 16 to Article XI thereof, by amending Section 4 of Article XIII A thereof, by amending Section 2 of Article XIII C thereof, by amending Section 3 of Article XIII D thereof, and by amending Section 18 of Article XVI thereof, relating to local development.

LEGISLATIVE COUNSEL'S DIGEST

SCA 13, as introduced, Alarcon. Local government: special taxes and general obligation bonds: local development.

The California Constitution conditions the imposition of a special tax by a city, county, or special district, other than certain school entities, upon the approval of  $\frac{2}{3}$  of the voters of the city, county, or special district voting on that tax.

This measure would authorize a local government, as defined, with the approval of a majority of its voters voting on the proposition, to impose a special tax, that it is otherwise authorized to impose, if the tax is imposed exclusively to fund projects related to transportation and other local development, as provided.

The California Constitution requires  $\frac{2}{3}$  of the voters voting in an election to approve the incurrence of indebtedness by a local agency, except that in the case of a school district, community college district, or county office of education, the issuance of general obligation bonds may be approved by 55% of the voters, or, in the case of repair, construction, or replacement of an unsafe public school building, by a majority of the voters.

This measure would authorize a local government, as defined, that enacts a resolution with specified provisions and with the approval of a majority of its voters voting on the proposition, to incur indebtedness in the form of general obligation bonds to fund, for persons of low and moderate income, the construction of affordable housing, as specified, and projects that facilitate transportation between employment sites and affordable housing.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: no. State-mandated local program: no.

1     *Resolved by the Senate, the Assembly concurring,* That the  
2     Legislature of the State of California at its 2001–02 Regular  
3     Session commencing on the fourth day of December 2000,  
4     two-thirds of the membership of each house concurring, hereby  
5     proposes to the people of the State of California that the  
6     Constitution of the State be amended as follows:

7     First—That Section 16 is added to Article XI thereof, to read:

8     SEC. 16. (a) A local government may, with the approval of  
9     a majority of its voters voting on the proposition, impose any  
10    special tax that it is otherwise authorized by law to impose, if that  
11    tax is imposed exclusively for the purpose of funding all of the  
12    following:

13    (1) Transportation projects and services.

14    (2) Acquisition of open-space land.

15    (3) Financial incentives for the construction of affordable  
16    housing.

17    (4) Transportation enhancement activities, as defined in  
18    paragraph (3) of subsection (a) of Section 101 of Title 23 of the  
19    United States Code, as that section read on January 1, 2002.

20    (b) The revenues derived from any tax imposed pursuant to  
21    subdivision (a) shall be used in accordance with the following:

22    (1) At least 20 percent for the purposes described in paragraph  
23    (1) of subdivision (a).

24    (2) At least 20 percent for the purposes described in paragraph  
25    (2) of subdivision (a).

26    (3) At least 20 percent for the purposes described in paragraph  
27    (3) of subdivision (a).

28    (4) At least 20 percent for the purposes described in paragraph  
29    (4) of subdivision (a).

30    (c) For purposes of this section:



(1) “Local government” means a local government as defined by subdivision (b) of Section 1 of Article XIII C.

(2) “Open-space land” has the same meaning as specified in Section 65560 of the Government Code, or any successor to that statute.

(3) “Special tax” does not include an ad valorem tax on real property or a transactions tax or sales tax on the sale of real property.

(4) The funding of transportation projects and services includes the servicing of indebtedness issued for the purpose of funding those transportation projects and services.

Second—That Section 4 of Article XIII A thereof is amended to read:

Section 4. ~~Cities, Counties and special districts, Except as provided by Section 16 of Article XI, a city, county, or special district, by a two-thirds vote of the qualified electors of such district its voters voting on the proposition, may impose special taxes on such district a special tax within that city, county, or special district, except an ad valorem taxes tax on real property or a transaction transactions tax or sales tax on the sale of real property within such City, County that city, county, or special district.~~

Third—That Section 2 of Article XIII C thereof is amended to read:

SEC. 2. ~~Local Government Tax Limitation.~~ Notwithstanding any other provision of this Constitution:

(a) ~~All taxes~~ Any tax imposed by any local government ~~shall be deemed to be~~ is either a general ~~taxes tax~~ or a special ~~taxes tax~~. ~~Special-A special purpose districts district or agencies agency, including a school districts, shall have district, has no power authority to levy a general taxes tax.~~

(b) ~~No~~ A local government may *not* impose, extend, or increase any general tax unless and until that tax is submitted to the electorate and approved by a majority vote. A general tax ~~shall is~~ not ~~be~~ deemed to have been increased if it is imposed at a rate not higher than the maximum rate so approved. The election required by this subdivision shall be consolidated with a regularly scheduled general election for members of the governing body of the local government, except in cases of emergency declared by a unanimous vote of the governing body.

(c) Any general tax imposed, extended, or increased, without voter approval, by any local government on or after January 1, 1995, and prior to the effective date of this article, ~~shall may~~ continue to be imposed only if *that general tax is* approved by a majority vote of the voters voting in an election on the issue of the imposition, which election ~~shall be is held within two years of the effective date of this article~~ *no later than November 6, 1998*, and in compliance with subdivision (b).

(d) ~~No~~ *Except as provided by Section 16 of Article XI*, a local government may *not* impose, extend, or increase any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote. A special tax ~~shall is not be~~ deemed to have been increased if it is imposed at a rate not higher than the maximum rate so approved.

Fourth—That Section 3 of Article XIII D thereof is amended to read:

~~SEC. 3. Property Taxes, Assessments, Fees and Charges Limited.~~ (a) ~~No~~ *An agency may not assess a tax, assessment, fee, or charge shall be assessed by any agency* upon any parcel of property or upon any person as an incident of property ownership except:

(1) The ad valorem property tax imposed pursuant to Article XIII and Article XIII A.

(2) Any special tax receiving, *as applicable*, a two-thirds vote pursuant to Section 4 of Article XIII A *or Section 2 of Article XIII C, a 55-percent vote pursuant to Section 1 of Article XIII A, or a majority vote pursuant to Section 16 of Article XI.*

(3) Assessments as provided by this article.

(4) Fees or charges for ~~property-related~~ *property-related* services as provided by this article.

(b) For purposes of this article, fees for the provision of electrical or gas service ~~shall are not be~~ deemed charges or fees imposed as an incident of property ownership.

Fifth—That Section 18 of Article XVI thereof is amended to read:

SEC. 18. (a) ~~No~~ *Except as otherwise provided by subdivision (b)*, a county, city, town, township, board of education, or school district, ~~shall may~~ incur any indebtedness or liability in any manner or for any purpose exceeding in any year the income

1 and revenue provided for ~~such that year, without the assent of only~~  
2 ~~if both of the following conditions are met:~~

3 (1) ~~The indebtedness or liability is approved by two-thirds of~~  
4 ~~the voters of the public entity voting at an election to be held for~~  
5 ~~that purpose, except that with respect to any such public entity~~  
6 ~~which is authorized to incur indebtedness for public school~~  
7 ~~purposes, any proposition for the incurrence of indebtedness in the~~  
8 ~~form of general obligation bonds for the purpose of repairing,~~  
9 ~~reconstructing or replacing public school buildings determined, in~~  
10 ~~the manner prescribed by law, to be structurally unsafe for school~~  
11 ~~use, shall be adopted upon the approval of a majority of the voters~~  
12 ~~of the public entity voting on the proposition at such election; nor~~  
13 ~~unless before.~~

14 (2) ~~Before or at the time of incurring such the indebtedness,~~  
15 ~~provision shall be is made for the collection of an annual tax~~  
16 ~~sufficient to pay the interest on such the indebtedness as it falls due,~~  
17 ~~and to provide for a sinking fund for the payment of the principal~~  
18 ~~thereof, on or before maturity, which shall may not exceed forty~~  
19 ~~40 years from the time of contracting the indebtedness.~~

20 (b) ~~Notwithstanding subdivision (a), on (1) With respect to~~  
21 ~~any public entity enumerated in this subdivision that is authorized~~  
22 ~~to incur indebtedness for public school purposes, any proposition~~  
23 ~~to incur indebtedness in the form of general obligation bonds for~~  
24 ~~the purpose of repairing, reconstructing, or replacing public~~  
25 ~~school buildings determined, in the manner prescribed by law, to~~  
26 ~~be structurally unsafe for school use, shall be adopted upon the~~  
27 ~~approval of a majority of the voters of the public entity voting on~~  
28 ~~the proposition at an election.~~

29 (2) ~~On or after the effective date of the measure adding this~~  
30 ~~subdivision November 8, 2000, in the case of any school district,~~  
31 ~~community college district, or county office of education, any~~  
32 ~~proposition for the incurrence of indebtedness in the form of~~  
33 ~~general obligation bonds for the construction, reconstruction,~~  
34 ~~rehabilitation, or replacement of school facilities, including the~~  
35 ~~furnishing and equipping of school facilities, or the acquisition or~~  
36 ~~lease of real property for school facilities, shall be adopted upon~~  
37 ~~the approval of 55 percent of the voters of the district or county,~~  
38 ~~as appropriate, voting on the proposition at an election. This~~  
39 ~~subdivision shall apply only to a proposition for the incurrence of~~  
40 ~~indebtedness in the form of general obligation bonds for the~~

1 purposes specified in this subdivision *only* if the proposition meets  
2 all of the accountability requirements of paragraph (3) of  
3 subdivision (b) of Section 1 of Article XIII A.

4 (3) *A local government may, with the approval of a majority of*  
5 *its voters voting on the proposition, incur indebtedness in the form*  
6 *of general obligation bonds for either of the following purposes:*

7 (A) *The construction of housing at an affordable housing cost*  
8 *for persons and families of low and moderate income, if, prior to*  
9 *that vote, the governing body of that local government adopts a*  
10 *resolution, by a majority vote of its entire membership, that finds*  
11 *that there is a need for affordable housing within the boundaries*  
12 *of that local government.*

13 (B) *Projects that facilitate transportation for persons of low*  
14 *and moderate income between employment sites and affordable*  
15 *housing.*

16 (4) *For purposes of this subdivision:*

17 (A) *“Affordable housing cost” has the same meaning as*  
18 *specified by Section 50052.5 of the Health and Safety Code, or any*  
19 *successor to that statute.*

20 (B) *“Local government” means a local government as defined*  
21 *by subdivision (b) of Section 1 of Article XIII C.*

22 (C) *“Persons and families of low and moderate income” has*  
23 *the same meaning as specified in Section 50093 of the Health and*  
24 *Safety Code, or any successor to that statute.*

25 (c) When two or more propositions for incurring any  
26 indebtedness or liability are submitted at the same election, the  
27 votes cast for and against each proposition shall be counted  
28 separately, and when two-thirds or a majority or 55 percent of the  
29 voters, as the case may be, voting on any one of those propositions,  
30 vote in favor thereof, the proposition shall be deemed adopted.